# ANNUAL REPORT

## OF THE

## PRINCE EDWARD ISLAND

## CROWN BUILDING CORPORATION

## FOR THE YEAR ENDING

## 31 MARCH 1991

TO HER HONOUR

THE HONOURABLE MARION L. REID
Lieutenant Governor of The Province of
Prince Edward Island

May It Please Your Honour:

I respectfully submit herewith, for the information of Your Honour and the Legislature of Prince Edward Island, the Annual Report of the Crown Building Corporation for the Fiscal year ended 31 March 1991.

I have the honour to be Sir:

Your Obedient Servant,

Gordon MacInnis
Minister
Department of Transportation
and Public Works

# PRINCE EDWARD ISLAND
# CROWN BUILDING CORPORATION

Charlottetown
Prince Edward Island
February 5, 1992

Honourable Gordon MacInnis
Prince Edward Island
Crown Building Corporation
Charlottetown, P.E.I.

Sir:

I have the honour to submit herewith a report of the activities of the Prince Edward Island Crown Building Corporation for the year ended 31 March 1991.

An Act to establish the Prince Edward Island Crown Building Corporation was passed on 5 April 1962. Subsequently, Orders-in-Council appointed successive Presidents and Directors. During the period 1962-66 the Corporation functioned as an administrative and financing agency for the site preparation, planning, design and construction of the Provincial Administrative buildings in Charlottetown, and from 1966 to 1984 the Corporation generally limited its activities to that of financial agency responsible for amortizing construction costs of the Administrative buildings.

An amendment to the Prince Edward Island Crown Building Corporation Act (RSPEI 1974, Cap. C-30), assented to 11 May 1984, enabled the Corporation to plan, design, and construct the buildings, facilities, and equipment necessary to accommodate the veterinary teaching facility, known as the College, to be established as part of the University of Prince Edward Island; and to assume the financial obligation of Prince Edward Island, all pursuant to the Agreement of 3 June 1983, on behalf of the Government of Canada and the Governments of the Provinces of Prince Edward Island, Nova Scotia, New Brunswick and Newfoundland.

Bylaws of the Corporation were approved by Lieutenant Governor-in-Council 30 August 1984, and subsequently, amended bylaws were approved 15 November 1984.

Objects and powers of the Corporation were approved by the Lieutenant Governor-in-Council 30 August 1984.

92-06121/

Pursuant to an Agreement of 8 September 1983 between Prince Edward Island and the University of Prince Edward Island, the University conveyed the lands containing approximately 19 acres to the Province for the purpose of construction of all building and parking areas necessary for the College. Ownership of the College and the said 19 acres of land was transferred back to the University on April 1, 1987.

On 19 October 1987, the Corporation purchased the shares of the Charlottetown Veterinary Clinic (1981) Ltd. and C.V.C. Management Inc. in order to facilitate the integration of the veterinary practice area served by the Charlottetown Veterinary Clinic into the large animal ambulatory and hospital services of the College.

The audited financial statements of this Report cover details of costs.

Respectfully submitted,

Andrew B. Wells
Secretary
Crown Building Corporation

# AUDITOR GENERAL

CHARLOTTETOWN

PRINCE EDWARD ISLAND

PRINCE EDWARD ISLAND

CROWN BUILDING CORPORATION

FINANCIAL STATEMENTS

MARCH 31, 1991

# AUDITOR GENERAL

CHARLOTTETOWN

PRINCE EDWARD ISLAND

## AUDITOR'S REPORT

To the Board of Directors of the
Prince Edward Island Crown Building Corporation

I have audited the balance sheet of the Province of Prince Edward Island Crown Building Corporation as at March 31, 1991 and the statement of income for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 1991 and the results of its operations for the year then ended in accordance with the basis of accounting as disclosed in Note 1 to the financial statements.

J. Wayne Murphy, C.A.
Auditor General

Charlottetown, Prince Edward Island
June 26, 1991

STATEMENT 1

# PRINCE EDWARD ISLAND CROWN BUILDING CORPORATION
## BALANCE SHEET

MARCH 31, 1991
(with comparative figures at March 31, 1990)

### ASSETS

| | 1991 | 1990 |
|---|---|---|
| **CURRENT ASSETS** | | |
| Cash | $ 155,310 | $ 201,479 |
| Accounts Receivable | - | 18,351 |
| | 155,310 | 219,830 |
| **FIXED ASSETS** | | |
| Land - cost | 271,340 | 271,340 |
| Buildings and Equipment - cost - Note 1(a) | 6,116,139 | 6,116,139 |
| | 6,387,479 | 6,387,479 |
| **OTHER ASSETS** | | |
| Unamortized Bond Discount & Issue Expenses | 91,313 | 97,431 |
| Charlottetown Veterinary Clinic - Notes 1(c) and 2 | 522,274 | 522,274 |
| Loan Receivable - Note 2 | 426,943 | 487,168 |
| | 1,040,530 | 1,106,873 |
| **TOTAL ASSETS** | $7,583,319 | $7,714,182 |

### LIABILITIES AND SURPLUS

| | 1991 | 1990 |
|---|---|---|
| **CURRENT LIABILITIES** | | |
| Accounts Payable - Province of P.E.I. | $ - | $ 64,506 |
| Accrued Interest | 155,250 | 155,250 |
| Loans Payable - Province of P.E.I. - Current Portion | 67,377 | 60,225 |
| | 222,627 | 279,981 |
| **LONG TERM LIABILITIES** | | |
| Loans Payable - Province of P.E.I. - Note 3 | 2,028,069 | 2,094,426 |
| Less: Current Portion | 67,377 | 60,225 |
| | 1,960,692 | 2,034,201 |
| Debentures Payable - Other - Note 4 | 5,400,000 | 5,400,000 |
| Less: Sinking Fund - Note 5 (Market value 1991 - $8,521,023; 1990 - $7,389,456) | 8,273,590 | 7,316,432 |
| | (2,873,590) | (1,916,432) |
| | (912,898) | 117,769 |
| **SURPLUS** | | |
| Unappropriated | | |
| Net Income - Statement 2 | 67,500 | 67,500 |
| Less: Transfer to Sinking Fund Reserve | 67,500 | 67,500 |
| | - | - |
| Appropriated | | |
| Sinking Fund Reserve | | |
| Balance, Beginning of Year | 7,316,432 | 6,435,616 |
| Investment Income - Note 1(b) | 889,658 | 813,316 |
| Sinking Fund Installments | 67,500 | 67,500 |
| Balance, End of Year | 8,273,590 | 7,316,432 |
| **TOTAL LIABILITIES AND SURPLUS** | $7,583,319 | $7,714,182 |

(The accompanying notes are an integral part of these financial statements.)

ON BEHALF OF THE BOARD OF DIRECTORS:

AUDITOR GENERAL CHARLOTTETOWN PEI

# PRINCE EDWARD ISLAND CROWN BUILDING CORPORATION

## STATEMENT OF INCOME

## YEAR ENDED MARCH 31, 1991

(with comparative figures for the year ended March 31, 1990)

| | 1991 | 1990 |
|---|---|---|
| INCOME | | |
| Appropriations from the Province of P.E.I. - Note 1(b) | $645,113 | $657,797 |
| Appropriations from N.S., N.B., and Nfld. - Note 2 | 33,660 | 37,624 |
| | 678,773 | 695,421 |
| EXPENSES | | |
| Interest | 430,385 | 436,764 |
| Amortization of Bond Discount | 6,118 | 6,118 |
| Operating Loss - Veterinary Clinic - Note 1(c) | 174,770 | 185,039 |
| | 611,273 | 627,921 |
| NET INCOME | $ 67,500 | $ 67,500 |

(The accompanying notes are an integral part of these financial statements.)

PRINCE EDWARD ISLAND CROWN BUILDING CORPORATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1991

1. Accounting Policies

   (a) No depreciation is being charged on buildings and equipment.

   (b) The statement of income is on a net lease basis and does not include the interest on Sinking Fund investments. The investment income is shown as a separate item in the Sinking Fund section of the balance sheet.

   (c) On October 19, 1987 the Corporation purchased the shares of the Charlottetown Veterinary Clinic (1981) Ltd. and C.V.C. Management Inc. The Corporation uses the equity method of accounting to record its investment in these wholly-owned subsidiaries. For the fiscal year ended March 31, 1991, there was a $174,770 operating loss which was appropriated by the Province of P.E.I.

   In order to provide a more informative presentation of the operations of the Corporation, the financial statements are not consolidated. Separate combined financial statements of the Charlottetown Veterinary Clinic (1981) Ltd. and C.V.C. Management Inc. are being issued.

2. The four Atlantic Provinces agreed to fund $541,000 of the original cost of $1,063,274 for the Charlottetown Veterinary Clinic (1981) Ltd. and C.V.C. Management Inc., as part of the four-party agreement for the operation of the Atlantic Veterinary College.

   The funding is in the form of equal annual payments, amortizing the cost over the years remaining in the four-party agreement with the last payment due March 31, 1996.

3. Following is a breakdown of long-term loans payable to the Province of P.E.I.:

| Maturity Date | Interest Rate | 1991 | 1990 |
|---|---|---|---|
| Not stated | Nil | $1,078,852 | $1,084,984 |
| March 31, 1992 | 11-7/8% | 522,274 | 522,274 |
| March 31, 1996 | 11-7/8% | 426,943 | 487,168 |
| | | $2,028,069 | $2,094,426 |

   Interest charges related to the loans payable are appropriated by the Province.

4. Debentures payable are 5-3/4% Sinking Fund debentures due April 1, 2006, callable at the option of the Corporation on or after April 1, 2001. The debentures are guaranteed by the Province of P.E.I.

5. Sinking Fund investments consist of the following:

| | 1991 | 1990 |
|---|---|---|
| Cash and Accounts Receivable | $ 64,979 | $ 110,010 |
| Accrued Interest | 289,003 | 223,718 |
| Debentures | 7,919,608 | 6,982,704 |
| | $8,273,590 | $7,316,432 |